

**Webb County, Texas
Balance Sheet
Governmental Funds
September 30, 2002**

	General Fund	Headstart	Capital Projects Interest Income Series 2001
ASSETS			
Cash and cash equivalents	\$ 147,313	\$ -	\$ 5,745,551
Taxes receivable, net	6,596,883	-	-
Due from other funds	17,058,706	186	-
Receivable from other governments	1,499,728	636,322	-
Other receivables	209,282	81	-
Inventories	122,642	-	-
Prepaid expenses	10,095	-	-
Total assets	<u>25,644,649</u>	<u>636,589</u>	<u>5,745,551</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	1,521,196	421,444	-
Due to other funds	281,679	63,351	5,610,986
Payable to other governments	470,807	-	-
Deferred revenue	6,279,483	-	-
Other accrued expenses	687,130	150,419	-
Other payables	7,441,810	1,375	-
Total liabilities	<u>16,682,105</u>	<u>636,589</u>	<u>5,610,986</u>
Fund balances:			
Reserved for:			
Inventories	122,642	-	-
Encumbrances	-	-	-
Prepaid expenses	-	-	-
Debt service	-	-	-
Other purposes	-	-	3,082
Unreserved	8,839,902	-	131,483
Total fund balances	<u>8,962,544</u>	<u>-</u>	<u>134,565</u>
Total liabilities and fund balances	<u>\$ 25,644,649</u>	<u>\$ 636,589</u>	<u>\$ 5,745,551</u>

The accompanying notes are an integral part of these financial statements.

Webb County, Texas
Balance Sheet
Governmental Funds
September 30, 2002

<u>Capital Projects</u> <u>Interest Income</u> <u>Series 2002</u>	<u>Juvenile Youth</u> <u>Village</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ 4,205,028	\$ 11,085,355	\$ 19,756,190	\$ 40,939,437
-	-	1,536,832	8,133,715
-	-	528,347	17,587,239
-	-	3,269,881	5,405,931
-	-	50,731	260,094
-	-	-	122,642
-	-	9,967	20,062
<u>4,205,028</u>	<u>11,085,355</u>	<u>25,151,948</u>	<u>72,469,120</u>
-	-	1,118,774	3,061,414
4,204,150	-	5,403,600	15,563,766
-	-	26,040	496,847
-	-	2,217,639	8,497,122
-	-	275,866	1,113,415
-	-	897,823	8,341,008
<u>4,204,150</u>	<u>-</u>	<u>9,939,742</u>	<u>37,073,572</u>
-	-	-	122,642
-	-	-	-
-	-	-	-
-	-	481,017	481,017
-	-	17,380,684	17,383,766
878	11,085,355	(2,649,495)	17,408,123
<u>878</u>	<u>11,085,355</u>	<u>15,212,206</u>	<u>35,395,548</u>
<u>\$ 4,205,028</u>	<u>\$ 11,085,355</u>	<u>\$ 25,151,948</u>	<u>\$ 72,469,120</u>



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Webb County, Texas
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
September 30, 2002

Total fund balance, governmental funds	\$	35,395,548
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.

Add - capital assets		150,940,682
Deduct - accumulated depreciation		(60,600,850)

Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.

Taxes receivables, deferred		7,746,012
Accounts receivables and fines, net		2,667,298

The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.

535,036

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.

Deduct - bonds payable		(64,916,008)
Add - bond issuance cost		949,739
Deduct - accrued interest on bonds payable		(398,615)
Deduct - accrued compensated absences and other long-term liabilities		(1,694,302)

Net Assets of Governmental Activities in the Statement of Net Assets	\$	<u>70,624,540</u>
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The accompanying notes are an integral part of these financial statements.

Webb County, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2002

	<u>General Fund</u>	<u>Headstart Fund</u> <u>903</u>	<u>Capital Projects</u> <u>Series 2001</u> <u>Fund - 627</u>
REVENUES			
Property Taxes	\$ 23,950,102	\$ -	\$ -
Sales and miscellaneous taxes	8,844,962	-	-
Fees and fines	221,207	-	-
Intergovernmental	5,526,011	7,183,743	-
Charges for services	3,044,184	-	-
Investment earnings	253,864	-	131,483
Miscellaneous	688,459	-	-
Grant matching	-	1,937,592	-
Total revenues	<u>42,528,789</u>	<u>9,121,335</u>	<u>131,483</u>
EXPENDITURES			
Current:			
General government	10,012,345	-	-
Public safety	5,740,932	-	-
Justice system	11,897,296	-	-
Health and human services	3,924,332	8,791,334	-
Infrastructure and environmental services	133,884	-	-
Corrections and rehabilitation	7,756,010	-	-
Community and economic development	1,190,202	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital Outlay	565,814	330,000	-
Total Expenditures	<u>41,220,815</u>	<u>9,121,334</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,307,974</u>	<u>1</u>	<u>131,483</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt, net	-	-	-
Proceeds from capital leases	565,814	-	-
Transfers in	386,774	-	-
Transfers out	(197,110)	-	-
Total other financing sources and uses	<u>755,478</u>	<u>-</u>	<u>-</u>
SPECIAL ITEM			
Proceeds from sale of equipment	671	-	-
Net change in fund balances	2,064,123	1	131,483
Fund balances - beginning	6,898,421	-	3,082
Fund balances - ending	<u>\$ 8,962,544</u>	<u>\$ 1</u>	<u>\$ 134,565</u>

The accompanying notes are an integral part of these financial statements.

Webb County, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2002

<u>Series 2002</u> <u>Interest Fund -</u> <u>683</u>	<u>Juvenile Youth</u> <u>Village Fund -</u> <u>684</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ -	\$ 5,052,783	\$ 29,002,885
-	-	382,440	9,227,402
-	-	1,543,681	1,764,888
-	-	11,517,622	24,227,376
-	-	3,441,164	6,485,348
878	3,105	342,903	732,233
-	-	1,423,247	2,111,706
-	-	957,022	2,894,614
<u>878</u>	<u>3,105</u>	<u>24,660,862</u>	<u>76,446,452</u>
-	-	1,281,508	11,293,853
-	-	1,708,196	7,449,128
-	-	3,007,923	14,905,219
-	-	2,462,411	15,178,077
-	217,750	4,047,095	4,398,729
-	-	3,475,214	11,231,224
-	-	852,648	2,042,850
-	-	-	-
-	-	2,425,692	2,425,692
-	-	2,667,246	2,667,246
-	-	9,741,046	10,636,860
<u>-</u>	<u>217,750</u>	<u>31,668,979</u>	<u>82,228,878</u>
<u>878</u>	<u>(214,645)</u>	<u>(7,008,117)</u>	<u>(5,782,426)</u>
-	11,300,000	4,300,000	15,600,000
-	-	292,795	858,609
-	-	647,344	1,034,118
-	-	(891,660)	(1,088,770)
<u>-</u>	<u>11,300,000</u>	<u>4,348,479</u>	<u>16,403,957</u>
-	-	10,140	10,811
<u>878</u>	<u>11,085,355</u>	<u>(2,649,498)</u>	<u>10,632,342</u>
-	-	17,861,701	24,763,204
<u>\$ 878</u>	<u>\$ 11,085,355</u>	<u>\$ 15,212,203</u>	<u>\$ 35,395,546</u>



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Webb County, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2002

Net change in fund balances - total governmental funds: \$ 10,632,344

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays \$10,636,860 exceeded depreciation \$3,909,966 in the current period. 6,726,894

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. (11,319)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 867,222

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments. (14,057,917)

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest not reflected on Governmental funds	(80,494)
Bad debt expenses	(190,735)
Changes in inventory	14,707
Compensated absences	(9,930)
Issuance cost	313,600
Issuance cost expense	(55,127)
Arbitrage rebate	(44,414)

Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and information technology, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 1,372,723

Change in net assets of governmental activities	<u>\$ 5,477,554</u>
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